MONTANA LEGISLATIVE HISTORY

Chapter 475 19 93

Bill H 169 S _____ Original bill & history ___C

H. Committee on Local Government			S. Committee on Local Government		
Hearing Date(s)	Jan 26	✓ C	Hearing Date(s)	Feb 09	✓ C
		C		Feb 11	✓ C
		C			C
		C			C
Date Out	Jan 26	✓ C		Feb 12	✓ C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

Conference Committee Mar 23 ✓ C

Note; A Free Conference Committee was appointed. Its minutes were not recorded.

House BILL NO. 169

INTRODUCED BY [illegible]

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE COMPETITIVE BID LIMITS FOR MUNICIPAL PURCHASE AND CONSTRUCTION CONTRACTS; DECREASING THE LIMIT ON MUNICIPAL INSTALLMENT PURCHASE CONTRACTS; AND AMENDING SECTIONS 7-5-4302 AND 7-5-4306, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-5-4302, MCA, is amended to read:

"7-5-4302. Competitive, advertised bidding required for certain purchase and construction contracts. (1) Except as provided in 7-5-4303 or 7-5-4310, all contracts for the purchase of any automobile, truck, other vehicle, road machinery, other machinery, apparatus, appliances, or equipment~~,~~; for any materials or supplies of any kind~~,~~ in excess of $20,000; ~~or~~ for construction~~,~~ of a building, road, or bridge in excess of $25,000; or for the repair~~,~~ or maintenance of a building, road, or bridge in excess of $45,000 ~~for-which-must-be-paid-a-sum-exceeding-$10,000~~ must be let to the lowest responsible bidder after advertisement for bids.

(2) ~~Such~~ The advertisement ~~shall~~ must be made in the official newspaper of the city or town ~~if-there-be-such~~ is an official newspaper, and if not, it ~~shall~~ must be made in a daily newspaper of general circulation published in the city or town if there ~~be--such--and~~,--~~otherwise~~, is a newspaper. If there is no newspaper, the advertisement must be made by posting in three of the most public places in the city or town. ~~Such~~ The advertisement, if by publication in a newspaper, ~~shall~~ must be made once each week for 2 consecutive weeks, and the second publication ~~shall~~ must be made not less than 5 days or more than 12 days before the consideration of bids. If ~~such~~ the advertisement is made by posting, 15 days must elapse, including the day of posting, between the time of the posting of ~~such~~ the advertisement and the day set for considering bids.

(3) The council may postpone action ~~as-to~~ on any ~~such~~ contract until the next regular meeting after bids are received in response to ~~such~~ the advertisement and may reject any ~~and-all~~ bids and readvertise as provided ~~herein~~ in this section."

Section 2. Section 7-5-4306, MCA, is amended to read:

"7-5-4306. Use of installment purchase contract. (1) Subject to the requirements of subsection (2), when the amount to be paid under ~~any-such~~ an installment purchase contract ~~shall-exceed-the-amount-set--forth--in--7-5-4302(1)~~ exceeds $4,000, the council may provide for the payment of ~~such-an~~ the amount in installments extending over a period

HB 169
INTRODUCED BILL

Montana Legislative Council

of not more than 5 years~~;~~, provided that at the time of entering into ~~such~~ the contract, there ~~shall--be~~ is an unexpended balance of appropriation in the budget for the then-current fiscal year available and sufficient to meet and take care of ~~such~~ the portion of the contract price ~~as~~ ~~is~~ payable during the then-current fiscal year. ~~and-the~~ The budget for each following year in which any portion of ~~such~~ the purchase price is to be paid ~~shall~~ must contain an appropriation for the purpose of paying ~~the--same~~ that portion.

(2) When ~~such-amount~~ the purchase price is extended over a term of 2 years, at least 40% ~~thereof-shall~~ of the amount must be paid the first year and the remainder the second year. When ~~such~~ the amount is extended over a term of 3 years, at least one-third ~~thereof-shall~~ of the amount must be paid each year. If ~~such~~ the amount is extended over a term of 4 years, at least one-fourth is to be paid each year. If ~~such~~ the amount is extended over a term of 5 years, at least one-fifth is to be paid each year."

-End-

1/20	COMMITTEE REPORT—BILL PASSED		
1/22	2ND READING PASSED	97	1
1/25	3RD READING PASSED	95	2
	TRANSMITTED TO SENATE		
1/27	FIRST READING		
1/27	REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY		
3/10	HEARING		
3/23	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/25	2ND READING CONCURRED	49	0
3/26	3RD READING CONCURRED	46	0
	RETURNED TO HOUSE WITH AMENDMENTS		
4/05	2ND READING AMENDMENTS CONCURRED	99	0
4/07	3RD READING AMENDMENTS CONCURRED	96	3
4/13	SIGNED BY SPEAKER		
4/14	SIGNED BY PRESIDENT		
4/16	TRANSMITTED TO GOVERNOR		
4/21	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 439		
	EFFECTIVE DATE: 10/01/93		

HB 169 INTRODUCED BY EWER, ET AL.

REVISE MUNICIPAL BID AND INSTALLMENT PURCHASE LIMITS

1/13	INTRODUCED		
1/13	REFERRED TO LOCAL GOVERNMENT		
1/13	FIRST READING		
1/26	HEARING		
1/29	COMMITTEE REPORT—BILL PASSED		
2/01	2ND READING PASSED	88	8
2/03	3RD READING PASSED	80	15
	TRANSMITTED TO SENATE		
2/04	FIRST READING		
2/04	REFERRED TO LOCAL GOVERNMENT		
2/09	HEARING		
2/13	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
2/15	2ND READING CONCURRED AS AMENDED	49	0
2/16	3RD READING CONCURRED	49	0
	RETURNED TO HOUSE WITH AMENDMENTS		
3/03	2ND READING AMENDMENTS NOT CONCURRED	95	2
3/05	CONFERENCE COMMITTEE APPOINTED		
3/23	CONFERENCE COMMITTEE DISSOLVED		
	SENATE		
3/09	FREE CONFERENCE COMMITTEE APPOINTED		
3/12	FREE CONFERENCE COMMITTEE DISSOLVED		
3/12	CONFERENCE COMMITTEE APPOINTED		
3/23	CONFERENCE COMMITTEE DISSOLVED		
	HOUSE		
3/23	FREE CONFERENCE COMMITTEE APPOINTED		
3/26	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/12	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	92	5
4/13	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	90	9
	SENATE		
3/23	FREE CONFERENCE COMMITTEE APPOINTED		
3/27	FREE CONFERENCE COMMITTEE REPORT NO. 1		
4/02	2ND READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	47	0

4/03	3RD READING FREE CONFERENCE COMMITTEE REPORT NO. 1 ADOPTED	47	0
4/17	SIGNED BY SPEAKER		
4/17	SIGNED BY PRESIDENT		
4/20	TRANSMITTED TO GOVERNOR		
4/22	SIGNED BY GOVERNOR CHAPTER NUMBER 475 EFFECTIVE DATE: 10/01/93		

HB 170 INTRODUCED BY GILBERT

REVISE MEMBERSHIP ON BOARD OF AERONAUTICS

1/14	INTRODUCED		
1/14	REFERRED TO BUSINESS & ECONOMIC DEVELOPMENT		
1/14	FIRST READING		
1/14	FISCAL NOTE REQUESTED		
1/19	HEARING		
1/20	FISCAL NOTE RECEIVED		
1/20	FISCAL NOTE PRINTED		
1/20	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/22	2ND READING PASSED	83	17
1/25	3RD READING PASSED	81	16
	TRANSMITTED TO SENATE		
1/27	FIRST READING		
1/27	REFERRED TO HIGHWAYS & TRANSPORTATION		
2/02	HEARING		
2/09	COMMITTEE REPORT—BILL CONCURRED		
2/11	2ND READING CONCURRED AS AMENDED	49	0
2/12	3RD READING CONCURRED	49	1
	RETURNED TO HOUSE WITH AMENDMENTS		
3/31	2ND READING AMENDMENTS CONCURRED	93	6
4/02	3RD READING AMENDMENTS CONCURRED	95	3
4/07	SIGNED BY SPEAKER		
4/13	SIGNED BY PRESIDENT		
4/14	TRANSMITTED TO GOVERNOR		
4/19	SIGNED BY GOVERNOR CHAPTER NUMBER 394 EFFECTIVE DATE: 10/01/93		

HB 171 INTRODUCED BY M. HANSON, ET AL.

REVISE MONTANA STRIP AND UNDERGROUND MINE RECLAMATION ACT

BY REQUEST OF DEPARTMENT OF STATE LANDS

1/14	INTRODUCED		
1/14	REFERRED TO NATURAL RESOURCES		
1/14	FIRST READING		
1/14	FISCAL NOTE REQUESTED		
1/19	FISCAL NOTE RECEIVED		
1/19	FISCAL NOTE PRINTED		
1/22	HEARING		
1/29	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/01	2ND READING PASSED	91	6
2/03	3RD READING PASSED	86	10
	TRANSMITTED TO SENATE		
2/04	FIRST READING		
2/04	REFERRED TO NATURAL RESOURCES		
3/12	HEARING		
3/16	COMMITTEE REPORT—BILL CONCURRED		
3/18	2ND READING CONCURRED	49	0

REP. KADAS replied there are some who do restrict it to a degree. The reason for the state to have this law is because there are employees and citizens in these buildings just the same as in state buildings. This is saying the state deems it reasonable to afford them that level of protection.

REP. BRANDEWIE asked **REP. KADAS** if at the present cities and counties have legislative authority. **REP. KADAS** replied that it is limited authority.

REP. BRANDEWIE asked if this law is adopted and the city and county have more restrictive non-smoking ordinances than what is allowed, then would they be required to loosen their regulations to comply with state law. Would it be possible for the city and county to keep the more restrictive no "smoking" if they so choose. **REP. KADAS** said they would have to provide a smoking outlet and the next step would be to not allow smoking at all.

REP. BRANDEWIE called on **Gene Vukovich, Manager, Anaconda-Deer Lodge County** to comment. **Mr. Vukovich** said they passed an ordinance which limits the places for smoking in the courthouse and facilities of the county. He said he was neither an opponent nor proponent and stated that cities and counties do get upset when the legislature passes down mandates indicating that they know more than the local entity. He said the residents of Anaconda-Deer Lodge County decided a long time ago that there should be local smoking areas in the facilities and have adopted laws to that effect.

REP. VOGEL stated this was restrictive language and yet we hear how cities and counties don't want to be restricted by state government. **REP. VOGEL** addressed **Mr. Morris** asking what it is that cities and counties want. **Mr. Morris** replied that the point in his testimony was that policies can be established for state law making it discretionary so that not every building will have to have a designated smoking area.

Closing by Sponsor:

REP. KADAS said he was under the impression that counties could not designate buildings as entirely smoke-free and they should have the same level of protection as the state. Referring to SB 100, he stated he supports the bill but does not believe it should be amended into HB 156. HB 156 addresses the issue of cities and counties having the same level of protection whereas, SB 100 deals with whether it should be discretionary.

HEARING ON HOUSE BILL 169

Opening Statement by Sponsor:

REP. DAVID EWER, HD 45, Helena, explained that HB 169 would increase the limits currently in effect in the competitive

bidding for projects. Current law states that any project of $10,000 or more needs to be bid out. This law has not been amended for some time and inflation has taken a toll on everyone. With the limits in the new language, cities and towns would not have to go out for a minimum bid, for any project over the limit it would be necessary to get bids. The second change would address the purchase language which, under current law, says a city or town is precluded from borrowing or buying anything under $10,000 and under this proposal it would be $4,000. This statute would almost parallel current county law. **REP. EWER** stated that $10,000 is quite a lot for counties and they have been burdened by not being able to finance necessary equipment. For instance, in Circle, the town council wanted to purchase a secondhand Catapillar tractor which cost $8,500 for its landfill operation through the Board of Investment's Intercap program. Since the cost was not at $10,000 they couldn't get the tractor; however had it been a county the purchase could have been made.

Proponents' Testimony:

Alec Hansen, Executive Director, Montana League of Cities and Towns, expressed support for HB 169 saying it was adopted unanimously as a legislative recommendation at the League's convention last spring in Lewistown. This bill would make the competitive bidding limits for cities and towns parallel with what is in effect for counties. The $10,000 limits have been in effect since 1981. He spoke of a situation in Deer Lodge where the community wanted to purchase a police car. However, because the total cost exceeded $10,000 it was necessary to go out for bid. This resulted in a high-volume dealer from out of town being able to come in at a lower bid. Cities and counties would like to keep business local. Therefore, the bill requests the same authority that was given to counties in 1991. **Mr. Hansen** assured the Committee that cities have very capable managers. Another concern addressed by the bill is the way the law has been interpreted by the bond counsel. Counties cannot participate in the Intercap Program or any project or acquisition over $4,000 and for some reason cities are locked out between $4,000 and $10,000. There are many used vehicles that cities could acquire through the Intercap Program.

Shelly Laine, Director of Administrative Services, City of Helena, stated the Helena City Commission supports HB 69. The support is for all the reasons previously discussed, but most important, is that it would make all requirements the same for cities and counties. It would simplify the process and encourage cities and counties to participate in joint projects.

Al Sampson, Missoula, member of the League of Cities and Towns, supporting HB 169 said local vendors are not sure of the limits because they deal with both cities and counties. It would be helpful if these limits were the same.

Tim Swanson, Mayor of Bozeman, testified in support of HB 169.

After discussing this issue with city staff and the other commissioners, he said they concur with the testimony already heard. Due to inflationary effects since 1981, the $10,000 has diminished to $3,000 or $4,000. This bill will save time and money and give the flexibility that is needed to streamline a form of government.

Opponents' Testimony:

Carl Schweitzer, Montana Contractor's Association, responding to the fact made that it would bring cities in par with counties, stated that two wrongs do not make a right. The Association is opposed to the specific portion where limits are being raised for the construction and maintenance of roads and bridges, but do not have a problem with the bidding for equipment or section 2 of the bill. **EXHIBIT 1** When the legislature raises the limits it increases the amount the cities can compete with private enterprise. The building and maintenance of roads provides work for the free enterprise system, which is the direction the society would prefer. The taxes employees and businesses pay are what supports government, therefore, the Association would like to see the limits remain as they are.

Questions From Committee Members and Responses:

REP. WYATT asked **Ms. Laine** what is the policy on something costing $9,999. **Ms. Laine** replied that typically, if under the limit, city staff is encouraged to have informal bidding. She stated that local governments are served best this way because the lowest price possible will be obtained.

REP. WYATT asked if a cost is above $10,000 and there is only one supplier, what would happen. **Ms. Laine** replied the city is required to go out for bid.

REP. BRANDEWIE asked **Mr. Vukovich** if the public would be best served by professionals doing the construction rather than city or county maintenance people. **Mr. Vukovich** said he believed that to be true. There are many times when it is cheaper to have a professional construction firm because they already have the equipment. In many instances the government does not have the equipment or expertise. He stated that residents in his area are fortunate to have a consolidated city/county government and therefore, can come under either city or county statutes to choose what is the most suitable. He said he could see where cities would have problems that could be addressed by this bill.

Mr. Hansen stated that if the Committee wanted to keep it uniform with the statute for counties and stipulate $20,000 for materials and supplies and $25,000 for construction, the League would agree with that. He also stated that HB 169 was not about privatization; it deals exclusively with contracts. It does not say the city cannot use its own people to do the work. The Supreme Court has ruled on that issue. The city is able to do maintenance or

reconstruction projects using gasoline taxes and its own people. The point of the bill is so that when a city or town does contract and the cost is $10,000 or more for supplies, or $25,000 for construction, then it will be put out for a competitive bid.

REP. BRANDEWIE asked if a road project requiring crushed gravel and oil exceeds $10,000, would it need to be put out to bid. **Mr. Hansen** said that was correct. However, if the city had an asphalt plant it could produce as much asphalt as needed.

REP. HANSON said counties have been operating under this law since 1981, and asked **Mr. Morris** if he has seen the loss of incentive to stay within the budget. **Mr. Morris** replied he had not heard of any horror stories.

REP. VOGEL asked **Mr. Vukovich** to respond to the bidding process. **Mr. Vukovich** informed the committee that in Anaconda-Deer Lodge residents would like to keep as much city and county work local as they can. The people employed by the local contractor are the ones paying taxes to start with. This provision allows that jobs up to $45,000 can be awarded to local contractors.

Closing by Sponsor:

REP. EWER closed on HB 169 by saying that the repair limit was set at $45,000 to address emergencies and if the Committee wished it could include the word "emergency" in that section.

HEARING ON SENATE BILL 8

Opening Statement by Sponsor:

SEN. FRANCIS KOEHNKE, SD 16, Townsend, stated SB 8 was drafted at the request of the Broadwater County Commissioners. Broadwater County was a fifth class county, but due to growth in the economy has been changed to a fourth class county. Current state law requires that fourth class counties have full-time commissioners. The Broadwater Commissioners do not want this requirement for three reasons: 1) they already have jobs; 2) they do not believe there is a need for full-time; and 3) there is not the money. If this bill is passed the commissioners will be saving Broadwater County money.

Proponents' Testimony:

Bob Davis, Broadwater County Commissioner, testified in favor of SB 8. **EXHIBIT 2**

Opponents' Testimony:

Tom Hardin, County Road Supervisor, Teton County, testifying against SB 8, expressed concern that if the bill passed people would request that commissioners work only part-time. He stated

EXECUTIVE ACTION ON HOUSE BILL 139

Motion: **REP. RICE MOVED THAT HB 139 DO PASS.**

Motion/Vote: **REP. RICE** moved to adopt the amendment for HB 139. **EXHIBIT 4** Motion carried 15-1 with **REP. HANSON** opposing.

Motion/Vote: **REP. BOHLINGER MOVED THAT HB 139 DO PASS AS AMENDED.** Motion carried unanimously.

EXECUTIVE ACTION ON HOUSE BILL 203

Motion/Vote: **REP. BRANDEWIE MOVED THAT HB 203 DO PASS.** Motion carried unanimously.

EXECUTIVE ACTION ON HOUSE BILL 169

Motion: **REP. DOWELL** moved to amend HB 169 on page 1, line 19, between "the" and "repair" insert "emergency."

Discussion: **REP. DOWELL** stated that the amendment will justify the $45,000 limit for repair to deal with emergencies as they arise.

Mr. Campbell said that the bill would have allowed certain types of repair and maintenance under $10,000 not to be put out for bid. If the word "emergency" is inserted counties would be required to put in for a bid regardless of the amount and suggested that the Committee include a clause which stating "in excess of" whatever amount it feels necessary, or in the case of an emergency $45,000.

REP. DOWELL said that was his intent.

REP. BROWN said that **REP. WYATT** had called Great Falls and was informed that one city block of paving costs $45,000 and the city cannot get contractors to bid on it. As a result the city must wait until they have three or four blocks needing repair/paving in order to put out the bid and get and interest from the contractors. In the meantime, streets remain in disrepair. **REP. BROWN** suggested that the Committee leave the bill as it is.

REP. SAYLES asked the Committee to postpone executive action until more information was obtained.

Vote: **REP. DOWELL** withdrew his motion. **CHAIRMAN WALLIN** advised that executive action on HB 169 would take place Thursday, January 28, 1993.

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT COMMITTEE

ROLL CALL DATE 1-26-93

NAME	PRESENT	ABSENT	EXCUSED
REP. NORM WALLIN, CHAIRMAN	✓		
REP. RAY BRANDEWIE, VICE CHAIRMAN	✓		
REP. ELLEN BERGMAN	✓		
REP. JOHN BOHLINGER	✓		
REP. DAVE BROWN	✓		
REP. TIM DOWELL	✓		
REP. DAVID EWER	✓		
REP. STELLA JEAN HANSEN	✓		
REP. JACK HERRON	✓		
REP. ED McCAFFREE	✓		
REP. SHEILA RICE	✓		
REP. TIM SAYLES	✓		
REP. LIZ SMITH	✓		
REP. RANDY VOGEL	✓		
REP. KARYL WINSLOW	✓		
REP. DIANA WYATT	✓		

EXHIBIT 1
DATE 1-26-93
HB 169

FALLS CONSTRUCTION COMPANY

CONTRACTORS — ENGINEERS
1001 RIVER DRIVE NORTH
PHONE (406) 727-5300
GREAT FALLS, MONTANA 59401

Skill, Integrity and Responsibility

January 25, 1993

Representative Ewer
House of Representatives
State of Montana
Helena, MT.

RE: House Bill 169

Dear Representative Ewer:

As Chairman of the Privatization Committee for the Montana Contractor's Association, I urge you AMEND H.B.169 to retain the $10,000.00 limit on Construction, Repairs, and Maintenance.

When you allow Cities, Towns, and Counties to do construction work with their own forces, they will ultimately pay more:

1. There will not be a Performance and Payment Bond.
2. There will not be insurance. With cities and towns self insuring, a work comp claim or property damage claim could add $100,000. to a project's "true cost" very easily.
3. There will not be the incentive to stay within the budget that a private contractor has. Remember that a private contractor reserves the right to lose money as well as make a profit.
4. There will not be the expertise available to properly coordinate the project.
5. There will not be any warranty.

Please remember that we live in a society that encourages free enterprise. It would be difficult for you to try to attract economic development interests to our State only to have the government be in competition against them.

Finally, government's income is derived from taxes paid on profit and the personal property of the private sector. If that side of the equation is strangled by allowing Government to do work with their own forces, deficit spending will get even more out of control.

Yours truly,

GUY F. HUESTIS, PRESIDENT
FALLS CONSTRUCTION CO.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Local Government COMMITTEE BILL NO. HB 169

DATE 1/26 SPONSOR(S) Rep. David Ewer

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Shelly Laine - Helena	City of Helena	✓	
John Richardson	SRS DDB	✓	
Carl Schweitzer	MT Cont Assoc		✓
Tim Swanson	Mayor Bozeman	✓	
Al Sampson	League of Cities & Towns	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

Ms. Paulette Diehart, Lewis and Clark County, spoke from prepared testimony in support of HB 44. (Exhibit #1)

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Bartlett asked Representative Ewer of his preference for an effective date for HB 44. Representative Ewer stated he preferred an immediate effective date.

Senator Gage asked Representative Ewer why "federal savings and loan insurance corporation" was struck when "savings and loans" was left in HB 44. Representative Ewer stated he was unsure. Connie Erickson stated she believed the deletion applied to federal statutes, and said she would check to make sure. Senator Gage asked Representative Ewer if HB 44 was similar to a bill introduced by Senator Towe which allowed the Board of Investments to invest in obligations not issued but guaranteed by the Federal government. Representative Ewer stated he was unsure. Mr. Morris stated Senator Towe's bill goes beyond the intent of HB 44 and is not in conflict with HB 44.

Senator Eck asked Mr. Hansen if cities would want this same authority granted to counties as outlined in HB 44. Mr. Hansen stated he was unsure if cities would be interested in HB 44.

Closing by Sponsor:

Representative Ewer stated he closed his remarks on HB 44.

HEARING ON HB 169

Opening Statement by Sponsor:

Representative Ewer, House District 45, stated HB 169 had two purposes. First, HB 169 would increase the bid limits under which local governments may buy equipment and vehicles without first going through a bid process. He said the limits would be changed to: $20,000 for the purchase of any vehicle or equipment; $25,000 for the construction of any building, road or bridge; and, $45,000 for the repair of any building, road or bridge.

Representative Ewer noted these bid limits have not been increased since 1981. Second, HB 169 would decrease the installment purchase contract threshold. He said under current law, a city cannot borrow money to purchase equipment or a vehicle unless the amount is more than $10,000. Representative Ewer said HB 169 would change this amount to $4,000, which is consistent with county law. He added current law presents a hardship for local governments, especially in rural areas, who want to purchase equipment for less than $10,000 but do not have the entire amount of cash on hand to pay for the item in full. He concluded HB 169 was drafted at the request of the Montana League of Cities and Towns.

Proponents' Testimony:

Ms. Shelly Laine, City of Helena, stated her support for HB 169. She said HB 169 would make city bid limits the same as county bid limits which is advantageous when they undertake joint projects. Ms. Laine added inflation has required the city to bid more items which is costly and time-consuming.

Mr. Alec Hansen, Montana League of Cities and Towns, stated his support for HB 169. He said the city bid limits were last changed in 1981 and felt the limit increase was reasonable. Mr. Hansen said this law was changed for counties in the 1991 session. He said the $45,000 limit is for unanticipated repairs and maintenance on roads, buildings or bridges.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Eck asked Connie Erickson to check with the bill drafters to find out why "if there be such" was struck from page 1, line 25.

Senator Gage asked Representative Ewer if all cities and towns have an official newspaper. He said Cut Bank has two newspapers, and he is unsure which one is the "official newspaper". Representative Ewer replied he was unsure, however, he thought it was the city's weekly newspaper or the nearest metropolitan newspaper. Senator Bartlett noted there was a designation in HB 169 which identified for local governments the requirements to be met by official newspapers. Senator Rye stated while newspapers

are private sector enterprises, a county or city can designate an "official newspaper" for their area.

Closing by Sponsor:

Representative Ewer stated he closed his remarks on HB 169.

EXECUTIVE ACTION ON HB 169

Motion/Vote:

Senator Eck moved the Committee reinsert "if there" to page 1, line 25 of HB 169. MOTION CARRIED UNANIMOUSLY.

Motion/Vote:

Senator Eck moved HB 169 BE CONCURRED IN AS AMENDED.

Discussion:

Senator Gage asked if the Committee could amend and pass HB 169 without having to first send it back to the House for consideration of the amendment. Connie Erickson stated Legislative Council had the authority to do clerical amendments as long as they did not affect the intent of the bill.

Motion/Vote:

Senator Eck withdrew her motion for the Committee to concur with HB 169 as amended and asked Ms. Erickson to do a clerical amendment. Senator Eck moved the Committee reconsider her motion on the amendment to HB 169. MOTION CARRIED UNANIMOUSLY.

Motion:

Senator Eck moved HB 169 BE CONCURRED IN.

Discussion:

Senator Bartlett asked Mr. Hansen why HB 169 did not specify that the $45,000 bid limit was intended for unanticipated repairs only. Mr. Hansen stated the House Local Government discussed this same question but decided to pass HB 169 without amendments. Connie Erickson stated the bid limit language is identical to the language found in county law pertaining to bid limits.

Vote:

MOTION CARRIED UNANIMOUSLY. Senator Kennedy will carry HB 169.

EXECUTIVE ACTION ON HB 39

Motion/Vote:

Senator Vaughn moved HB 39 BE CONCURRED IN. MOTION CARRIED UNANIMOUSLY. Senator Harding will carry HB 39.

EXECUTIVE ACTION ON SB 112

Discussion:

Connie Erickson stated SB 112 was the constitutional amendment requiring the electorate approve the consolidation of county offices. She said the Committee should take some action on SB 112 since Senate rules requires the bill be passed to the House. She added SB 243 was the accompanying bill to SB 112. Ms. Erickson stated there was a coordinating clause in SB 243 which states "If SB 112 is passed and approved, then this act is effective January 1, 1995. If SB 112 is not passed and approved, this act is void".

Motion:

Senator Vaughn moved SB 112 DO PASS.

Discussion:

Senator Eck stated she opposed SB 112 because existing law gives counties the opportunity to reform their local governments. She said existing law favors smaller counties because they often have difficulty finding qualified people for all county offices.

Senator Rye stated he agreed with Senator Eck and added county commissioners have the best idea of what is good for their counties. He said commissioners who do not comply with the wishes of their constituency can be voted out of office. Senator Rye stated county offices do not receive the same amount of attention as state or national offices, and added many people are not aware of the day-to-day responsibilities of their elected county officials.

Senator Harding stated a decision to reform local governments should be made by the electorate, not a select group of people. She said the Montana Constitution guarantees the right of people

ROLL CALL

SENATE COMMITTEE Local Government DATE 2-9-93

NAME	PRESENT	ABSENT	EXCUSED
Senator John "Ed" Kennedy	✓		
Senator Sue Bartlett	✓		
Senator Dorothy Eck	✓		
Senator Delwyn Gage	✓		
Senator Ethel Harding	✓		
Senator John Hertel	✓		
Senator David Rye	✓		
Senator Bernie Swift	✓		
Senator Mignon Waterman	✓		
Senator Jeff Weldon	✓		
Senator Eleanor Vaughn	✓		

FC8

Attach to each day's minutes

DATE 9 February 1993

SENATE COMMITTEE ON Local Government

BILLS BEING HEARD TODAY: SB 244 - Harding;
HB 39 - Ewer; HB 44 - Ewer; HB 169 - Ewer

Name	Representing	Bill No.	Check One: Support	Check One: Oppose
Grayden Hall	Montana Mountain Lodge	244	✓	
Shelly Laine	City of Helena	169	✓	
Gordon Morris	MACo	SB 244 HB 44	✓ ✓	
Blake Wordell	Lewis & Clark Co	44	✓	
Paulette DeHart	Lewis & Clark Co	44	✓	
Ed Blackman	Lewis & Clark Co	44	✓	
Steve Moore	Treasure State Assn	44	✓	
MIKE HANSHAN	SRS	244	✓	
Alec Hansen	cities & Towns	39 169	✓	

VISITOR REGISTER

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F10

request" to subsection 6 of SB 157. Senator Weldon stated the language in SB 215 did not specify that the non-profit organization had to request the tax deeded property. Senator Bartlett replied when she worked with tax deeded property in Lewis and Clark County, the City of Helena monitored closely those properties most likely to be taken on assignment. She said sometimes cities choose not to take assignment on certain properties and added cities could be stuck with property if a mutual agreement provision was not added to the amendments to SB 157. Senator Kennedy stated he has seen this same problem occur with roads where the city gets jurisdiction over roads the county does not wish to maintain. Senator Gage suggested the Committee amend subsection 6 of SB 157 to state "with the consent of the municipality".

Motion/Vote:

Senator Eck moved the Committee adopt a substitute motion to amend SB 157 to insert "with the consent of the municipality" to subsection 6. Senator Weldon stated he considered Senator Eck's substitute motion as a friendly amendment and it should be included in his original motion to amend SB 157. MOTION CARRIED UNANIMOUSLY.

Motion/Vote:

Senator Weldon moved SB 157 DO PASS AS AMENDED. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON HB 169

Discussion:

Mr. Martin stated HB 169 was referred back to the Committee because the Legislative Council was not authorized to make the clerical amendment requested by the Committee.

Motion/Vote:

Senator Waterman moved the Committee reconsider executive action on HB 169. MOTION CARRIED UNANIMOUSLY.

Motion/Vote:

Senator Eck moved the Committee adopt the amendments to HB 169. (Exhibit #5) MOTION CARRIED UNANIMOUSLY.

Motion/Vote:

Senator Bartlett moved HB 169 BE CONCURRED IN AS AMENDED. MOTION CARRIED UNANIMOUSLY. Senator Harding will carry HB 169 to the Senate.

Discussion:

Senator Kennedy stated the Special Improvement District committee bill would be requested by this Committee and be referred to the Taxation Committee.

ADJOURNMENT

Adjournment: 2:17 p.m.

SENATOR JOHN "ED" KENNEDY, Jr., Chair

ROSALYN COOPERMAN, Secretary

JEK/rlc

ROLL CALL

SENATE COMMITTEE Local Government DATE 2-11-93

NAME	PRESENT	ABSENT	EXCUSED
Senator John "Ed" Kennedy	✓		
Senator Sue Bartlett	✓		
Senator Dorothy Eck	✓		
Senator Delwyn Gage	✓		
Senator Ethel Harding	✓		
Senator John Hertel	✓		
Senator David Rye	✓		
Senator Bernie Swift	✓		
Senator Mignon Waterman	✓		
Senator Jeff Weldon	✓		
Senator Eleanor Vaughn	✓		

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

February 12, 1993

MR. PRESIDENT:
We, your committee on Local Government having had under consideration House Bill No. 169 (first reading copy -- white), respectfully report that House Bill No. 169 be amended as follows and as so amended be concurred in.

Signed: John Ed Kennedy Jr.
Senator John "Ed" Kennedy, Jr., Chair

That such amendments read:

1. Page 1, line 25.
Following: "~~such~~"
Insert: "if there"

-END-

#1 Amd. Coord.

Senator Ed Kennedy
Senator Carrying Bill

351002SC.San

SENATE LOCAL GOVERNMENT
EXHIBIT NO. 5
DATE 2-11-93
BILL NO. HB 169

Amendments to House Bill No. 169
Third Reading Copy

Requested by Senator Eck
For the Committee on Local Government

Prepared by Connie Erickson
February 10, 1993

1. Page 1, line 25.
Following: "~~if there~~"
Insert: "if there"

MINUTES

MONTANA SENATE

53rd LEGISLATURE - REGULAR SESSION

CONFERENCE COMMITTEE ON HOUSE BILL 169

Call to Order: By Senator Ed Kennedy, Chair, on March 23, 1993, at 11:30 a.m.

ROLL CALL

Members Present:

Senator Ed Kennedy, Chair (D)
Senator Sue Bartlett (D)
Senator John Harp (R)
Representative Norm Wallin (R)
Representative David Ewer (D)
Representative Randy Vogel (R)

Members Excused:

None.

Members Absent:

None.

Staff Present: Connie Erickson, Legislative Council
Sylvia Kinsey, Secretary

Discussion:

Representative Ewer said the House would have accepted the Senate amendments to House Bill 169 but Alec Hansen of the Montana Association of Counties (MACO) asked to amend the bill. The only way the House could do that was to reject the Senate amendments. This would then cause the bill to go to a conference committee. Representative Ewer presented a written explanation of what Mr. Hansen proposed. He said the House is prepared to accept the Senate amendments.

Senator Harp said that basically it would say "maintenance" and not try to include building of roads and bridges.

Connie Erickson said it was her understanding that he would like the bill to read that the bid limit for equipment and materials should be $20,000 and the bid limit for construction, repair or maintenance is $25,000. All language would be struck referring to building, road or bridges.

Representative Ewer said Mr. Hansen was trying to parallel the best he can with what the counties have. He did not pick up on the county language, and in fact it artificial language since they do not maintain bridges, etc.

Representative Vogel said the Senate changed it from $45,000 down to $25,000. He asked for the rationale. Senator Harp said they thought that was too high a limit and it would exclude some people from the private sector to be able to competitively bid. It was pointed out that the rationale in raising it was because a block of road could not be paved for that amount nor could anything else. He stated no one would bid at those smaller amounts.

Ms. Erickson pointed out that this was a Conference Committee and a Conference Committee could not amend the bill, they could only work on the rejected amendments.

Discussion followed in which some members thought this was a Free Conference Committee.

Senator Bartlett pointed out that originally it was a Free Conference Committee, but both the Senate and the House requested the Free Conference Committee be resolved and a Conference Committee be appointed.

Senator Kennedy concluded that it was the consensus of this committee that this Conference Committee be dissolved and a Free Conference Committee be appointed.

Following the conclusion of the Conference Committee the members agreed to the Senate amendment but because they wished to change some things they voted down the Senate amendments. Therefore a Free Conference Committee made up of the same members could be appointed to make a small change.

The Committee agreed to the change and it was decided Senator Kennedy and Representative Wallin would ask that the Conference Committee be dissolved and a Free Conference Committee appointed. Since all members were in agreement on what should be done there would be no need for a further meeting. Once the Free Conference Committee was appointed the reports would be prepared, signed, and turned over to the respective houses.

ROLL CALL

CONFERENCE COMMITTEE ON HOUSE BILL 169

DATE 3-23-93

NAME	PRESENT	ABSENT	EXCUSED
REPRESENTATIVE WALLIN	✓		
REPRESENTATIVE EWER	✓		
REPRESENTATIVE VOGEL	✓		
SENATOR BARTLETT	✓		
SENATOR HARP	✓		
SENATOR KENNEDY	✓		
		✓	